

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2737

Introduced by Assembly Member Bonta

February 19, 2016

An act to ~~amend Section 32001 of the Health and Safety Code, relating to health care districts~~, add Chapter 8 (commencing with Section 32495) to Division 23 of the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2737, as amended, Bonta. ~~Local health care districts: formation.~~
Nonprovider health care districts.

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. Each health care district has specific duties and powers respecting the creation, administration, and maintenance of the districts, including the authority to purchase, receive, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district.

This bill would require a nonprovider health care district, as defined, to spend at least 80% of its annual budget on community grants awarded to organizations that provide direct health services and not more than 20% of its annual budget on administrative expenses. By requiring a higher level of service from nonprovider health care districts, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law, the Local Health Care District Law, regulates local health care districts and authorizes the health care districts to exercise specified powers, including purchasing and using property for the benefit of the district and exercising the power of eminent domain to acquire real or personal property necessary to the exercise of the district's powers. Existing law authorizes a district to include incorporated or unincorporated territory, or both, or territory in one or more counties, subject to specified limitations.~~

~~This bill would make technical, nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Chapter 8 (commencing with Section 32495) is*
2 *added to Division 23 of the Health and Safety Code, to read:*

3
4 *CHAPTER 8. NONPROVIDER HEALTH CARE DISTRICTS*

5
6 32495. *For the purposes of this chapter, the following*
7 *definitions shall apply:*

8 (a) *"Direct health service" means ownership or direct operation*
9 *of a hospital, medical clinic, ambulance service, transportation*
10 *program for seniors or persons with disabilities, a wellness center,*
11 *health education, or other similar service.*

12 (b) *"Nonprovider health care district" means a health care*
13 *district that meets all of the following criteria:*

14 (1) *The district does not provide direct health care services to*
15 *consumers.*

16 (2) *The district has not received an allocation of real property*
17 *taxes in the past three years.*

18 (3) *The district has assets of twenty million dollars*
19 *(\$20,000,000) or more.*

20 (4) *The district is not located in a rural area that is typically*
21 *underserved for health care services.*

1 (5) *In two or more consecutive years, the amount the district*
2 *has dedicated to community grants has amounted to less than twice*
3 *the total administrative costs and overhead not directly associated*
4 *with revenue-generating enterprises.*

5 32496. (a) *A nonprovider health care district shall not spend*
6 *more than 20 percent of its annual budget on administrative*
7 *expenses.*

8 (b) *A nonprovider health care district shall spend at least 80*
9 *percent of its annual budget on community grants awarded to*
10 *organizations that provide direct health services.*

11 SEC. 2. *If the Commission on State Mandates determines that*
12 *this act contains costs mandated by the state, reimbursement to*
13 *local agencies and school districts for those costs shall be made*
14 *pursuant to Part 7 (commencing with Section 17500) of Division*
15 *4 of Title 2 of the Government Code.*

16 SECTION 1. ~~Section 32001 of the Health and Safety Code is~~
17 ~~amended to read:~~

18 ~~32001. A local hospital district may be organized, incorporated,~~
19 ~~and managed, as provided in this division, and may exercise the~~
20 ~~powers herein granted or necessarily implied. The district may~~
21 ~~include incorporated or unincorporated territory, or both, or~~
22 ~~territory in one or more counties. The territory comprising the~~
23 ~~district need not be contiguous, but the territory of a municipal~~
24 ~~corporation shall not be divided; provided, that land either in a~~
25 ~~municipal corporation or in unincorporated territory that the~~
26 ~~supervising authority finds will not be benefited shall not be~~
27 ~~included.~~